



Belmont, MA

Town of Homes

FY2024 Budget Summit III

December 14, 2022





Presentation Overview

- FY2024 Revenue Updates
- Multi-Year Revenue Projections
- Revenue Allocation
- Next Steps



Changes to FY2024 Revenue Forecast

- Use of Free Cash updated to reflect use of one-time funds in FY2023.
- FY2023 New Growth has been approved at \$940,671, from a projected \$860,000. That impacts the FY2024 base tax levy and the 2.5% increase.
- Water/Sewer Indirect charges have been updated from \$0 to \$600,000 based on preliminary indirect analysis that will be reviewed more in-depth with the Warrant Committee and Select Board.
- Meals Excise adjusted based on FY2023 Q1 receipts.
- Other minor adjustments were made in FY2023 in finalizing the Tax Recap, which was filed on December 8th and approved December 12th.



FY2024 Revenue Report

- Continuing the focus on revenue, the Administration has produced a detailed Revenue Report.
- Shows at the account level where revenues have been over the past 5 years, what is estimated for FY2023, and projected for FY2024.
- In keeping with Department of Revenue best practices, estimates are conservative, largely relying on either the 3- or 5-year average revenue for future forecasts.
- Staff plan to do a larger analysis of revenue after the initial FY2024 budget development is complete, which is anticipated to primarily impact FY2025 revenues.



FY2024 Updated Revenue Forecast

General Fund Revenue Summary	FY2020 Actual	FY2021 Actual	FY2022 Actual	FY2023 Estimated	FY2024 Projected	FY2023-24 Change	
Property Tax Levy	\$ 92,562,993	\$ 95,854,621	\$ 99,431,844	\$ 102,786,493	\$ 106,302,480	\$ 3,515,987	3.4%
Tax Levy for Exempt Debt	\$ 8,746,407	\$ 13,638,294	\$ 12,288,095	\$ 13,719,329	\$ 13,154,414	\$ (564,915)	(4.1)%
Combined Property Tax Levy	\$ 101,309,400	\$ 109,492,915	\$ 111,719,939	\$ 116,505,822	\$ 119,456,894	\$ 2,951,072	2.5%
State Aid	\$ 11,994,553	\$ 12,253,713	\$ 12,449,529	\$ 12,852,939	\$ 13,034,970	\$ 182,031	1.4%
Local Receipts	\$ 9,097,903	\$ 8,092,290	\$ 9,567,943	\$ 8,590,889	\$ 8,778,462	\$ 187,573	2.2%
Available Funds	\$ 5,962,456	\$ 4,342,665	\$ 7,841,118	\$ 8,565,598	\$ 7,664,753	\$ (900,845)	(10.5)%
Revenue Offsets	\$ (2,707,200)	\$ (2,838,733)	\$ (2,831,921)	\$ (2,919,157)	\$ (2,981,764)	\$ (62,607)	2.1%
Enterprise Receipts	\$ 1,688,000	\$ 2,833,000	\$ 1,188,000	\$ 1,388,000	\$ 1,050,000	\$ (338,000)	(24.4)%
Total General Fund Operating Revenues	\$ 127,345,112	\$ 134,175,850	\$ 139,934,608	\$ 144,984,091	\$ 147,003,314	\$ 2,019,224	1.4%
Less - Revenues Set-Aside for Designated Purposes	\$ 4,286,684	\$ 1,226,415	\$ 3,851,943	\$ 6,462,272	\$ 4,315,866	\$ (2,146,406)	(33.2)%
Net General Fund Revenues	\$ 123,058,428	\$ 132,949,435	\$ 136,082,665	\$ 138,521,819	\$ 142,687,448	\$ 4,165,630	3.0%



Potential Use of Free Cash - FY2024

Fiscal Year	FY2021	FY2022	FY2023	FY2024	
Free Cash Available	\$ 8,106,817	\$ 11,239,464	\$ 15,026,459	\$ 15,553,790	Main drivers have been carryforward of Remaining Balances, and staff vacancies
Operating Budget	\$ 3,792,665	\$ 7,113,925	\$ 5,380,478	\$ 6,880,478	Reflects \$1.5M in school budget covered by off-budget sources in FY23
OPEB	\$ 50,000	\$ 50,000	\$ 579,275	\$ 579,275	Will recalculate for FY2024
Capital Stabilization				\$ 2,000,000	TBD - Initial deposit to develop a capital process funded by one-time funds
General Stabilization				\$ 3,594,037	TBD - Set-aside to provide flexibility for future fiscal years.
Recreation Seed \$				\$ 500,000	
Fuel Tanks			\$ 649,699		
Total Uses	\$ 3,842,665	\$ 7,163,925	\$ 6,609,452	\$ 13,553,790	
Remaining Balance	\$ 4,264,152	\$ 4,075,539	\$ 8,417,007	\$ 2,000,000	Return to prior goal of carrying forward \$2M

Note - FY21 and FY22 Remaining Balances are slightly off from Free Cash presentation at Summit I - still working to track it down



ARPA Funding Summary

Total ARPA Grant Funding			\$ 7,800,000
Allocation Status	Approved	Projected	Total
Pandemic-Response	\$ 344,850		\$ 344,850
BMHS Solar Panels	\$ 1,000,000		\$ 1,000,000
Operating Budget	\$ 163,303	\$ 2,000,000	\$ 3,163,303
School Funding	\$ 1,000,000		
Fuel Tanks	\$ 650,000		\$ 650,000
Staff COVID Stipends	\$ 114,000		\$ 114,000
Potential Stipends		\$ 250,000	\$ 250,000
Rink Design Funding	\$ 350,000		\$ 350,000
DPW Salt Shed	\$ 500,000		\$ 500,000
Total Uses	\$ 4,122,153	\$ 2,250,000	\$ 6,372,153
Remaining Funds Available*			\$ 1,427,847



Multi-Year Revenue Forecast

	Revenue Budget	FY2020 Actual	FY2021 Actual	FY2022 Actual	FY2023 Estimated	FY2024 Projected	Projected FY2025	Projected FY2026
1	Tax Levy (Base + New Growth + 2.5%)	\$ 92,562,993	\$ 95,854,621	\$ 99,431,844	\$ 102,786,493	\$ 106,302,480	\$ 109,900,713	\$ 113,588,901
2	State Aid	\$ 11,994,553	\$ 12,253,713	\$ 12,449,529	\$ 12,852,939	\$ 13,034,970	\$ 13,218,047	\$ 13,402,192
3	Local Receipts (Table 3)	\$ 9,097,903	\$ 8,092,290	\$ 9,567,943	\$ 8,590,889	\$ 8,778,462	\$ 8,848,962	\$ 8,927,372
4	Transfers from Parking/Capital Endowment/Cemetery/Other	\$ 483,000	\$ 475,000	\$ 417,193	\$ 368,303	\$ 205,000	\$ 205,000	\$ 205,000
5	Use of Free Cash/Stabilization	\$ 5,315,510	\$ 3,842,665	\$ 7,163,925	\$ 5,959,753	\$ 7,459,753	\$ 579,275	\$ 579,275
6	Identified Need						\$ 6,880,478	\$ 6,880,478
7	Revenue Offsets (Assessments/Overlay)	\$ (2,707,200)	\$ (2,838,733)	\$ (2,831,921)	\$ (2,919,157)	\$ (2,981,764)	\$ (3,035,308)	\$ (3,090,191)
8	Enterprise Indirects	\$ 1,688,000	\$ 2,833,000	\$ 1,188,000	\$ 1,388,000	\$ 1,050,000	\$ 1,265,000	\$ 1,280,376
	Total Available Revenue	\$118,434,759	\$120,512,556	\$127,386,513	\$129,027,220	\$133,848,900	\$137,862,166	\$141,773,403
	<u>Excluding:</u>					3.74%	3.00%	2.84%
9	One-time Capital Sources	\$ 163,946	\$ 25,000	\$ 260,000	\$ 2,237,542	\$ —	\$ —	\$ —
10	Tax Levy for Excluded Debt Service	\$ 8,746,407	\$ 13,638,294	\$ 12,288,095	\$ 13,719,329	\$ 13,154,414	\$ —	\$ —

The plan is to transition one-time funding (line 5) to use for one-time purposes, like capital. It won't happen overnight; the goal is to develop a framework and strategy to implement over several years.



Belmont Override History

Date	Override Purpose	Pass	Fail	Voters	% Yes
April 2021	Education, Town, Capital		\$ 6,400,000	8,089	43.8%
April 2015	Education, Roads, Capital	\$ 4,500,000		8,570	55.2%
June 2010	Education, Town, Capital		\$ 2,000,000	6,475	47.0%
June 2008	Roads, Streets and Sidewalks		\$ 2,500,000	4,871	46.6%
April 2006	Roads, Streets and Sidewalks		\$ 3,000,000	5,242	30.2%
June 2002	Education, Town Operations	\$ 2,400,000		5,666	51.9%
May 2001	Education, Town, Roads	\$ 3,000,000		5,049	61.1%
December 1993	Education, Town Operations		\$ 1,116,111	5,676	31.0%
April 1990	Solid Waste Collection & Disposal	\$ 2,094,946		5,585	54.2%



Proposed FY2024 Revenue Allocation

FY2024 Revenue Allocation Model				
				Projected Available Revenue
	Shared	Municipal	School	
				\$ 147,003,314
(1)	\$ 55,895,825		\$ 55,895,825	FY2023 Belmont Public Schools Appropriated Budget
(2)	\$ 32,525,029	\$ 32,525,029		FY2023 Municipal Appropriated Budget
(3)	\$ 1,500,000		\$ 1,500,000	FY2023 School Budget Covered by Reserves
(4)		\$ 10,546,165		FY2024 Pension Assessment
(5)		\$ 3,951,205		FY2024 Retiree Health Insurance (Combined)
(6)	\$ 27,462,898	\$ 579,275		FY2024 OPEB Contribution (Free Cash)
(7)		\$ 10,521,348		FY2024 Employee Health Insurance (Combined)
(8)		\$ 1,864,905		FY2024 Other Benefits (Combined)
(9)	\$ 738,808	\$ 738,808		FY2024 Liability Insurance
(10)	\$ 400,000	\$ 400,000		FY2024 Warrant Committee Reserve
(11)	\$ 742,941	\$ 742,941		FY2024 Regional School Expenses
(12)	\$ 7,705,000	\$ 7,342,000		FY2024 Facilities Budget (Combined)
(13)		\$ 363,000		Additional Facilities costs - Middle School opening
(14)	\$ 13,154,414	\$ 13,154,414		FY2024 Exempt Debt Service
(15)		\$ 1,487,539		FY2024 Within Levy Debt Service
(16)	\$ 5,248,080	\$ 1,904,216		FY2024 Capital - Streets
(17)		\$ 243,673		FY2024 Capital - Sidewalks
(18)		\$ 1,612,652		FY2024 Capital - Discretionary
(19)	\$ 145,372,995	\$ 55,452,142	\$ 32,525,029	\$ 57,395,825
				Base Budget - Used for Allocation
(20)			36.17%	63.83%
				Percentage - Municipal and School only
(21)	\$ 1,630,319	\$ 589,698	\$ 1,040,621	Incremental Revenue
		1.81%	1.81%	Percent of Current Budget



Shared Services Summary

	FY2020	FY2021	FY2022	FY2023	FY2024
Benefits/Insurance Total	\$ 22,305,575	\$ 22,918,368	\$ 24,099,278	\$ 26,372,587	\$ 27,622,431
Facilities	\$ 4,979,336	\$ 5,240,068	\$ 5,739,210	\$ 6,948,107	\$ 7,705,000
Warrant Committee Reserve	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000
Regional Schools	\$ 984,887	\$ 1,391,511	\$ 1,124,430	\$ 1,137,269	\$ 742,941
OPEB	\$ 552,695	\$ 50,000	\$ 50,000	\$ 579,275	\$ 579,275
Debt Service Total	\$ 10,088,450	\$ 14,724,266	\$ 14,579,196	\$ 15,243,002	\$ 14,641,953
Capital Total	\$ 3,733,990	\$ 1,176,415	\$ 3,801,943	\$ 5,882,997	\$ 3,760,541
Total Shared Services	\$ 43,044,932	\$ 45,900,628	\$ 49,794,056	\$ 56,563,237	\$ 55,452,142



Next Steps - Refine Revenue Allocation

1. Confirm Revenue Items -

- Water/Sewer Indirect Charges
- Meals Tax Projections - FY2024
- Other Feedback from Revenue Report - Warrant Committee on December 21st

2. Confirm Shared Service Realignment -

- Employee Benefits
- Facilities

3. Refine Shared Service Spending Projections -

- Health Care Projections
- Other Benefit Projections
- Regional School Assumptions
- Facilities Expenses



Next Meeting – January 12th

- High-Level School Budget for FY2024
- Refined Revenue Allocation for FY2024